

STATE OF WASHINGTON



OFFICE OF  
INSURANCE COMMISSIONER

*In the Matter of:*

**OHIC INSURANCE COMPANY,**

*An Authorized Insurer.*

No. D 02 - 146

**CONSENT ORDER  
IMPOSING A FINE**

FINDINGS OF FACT:

1. Ohic Insurance Company ("Ohic") is authorized to write property and casualty insurance in Washington State.
2. Ohic is subject to Washington Administrative Code (WAC) 284-07-010(1), which requires each authorized property and casualty insurer in the state to "...record and report its Washington state loss and expense experience and other data, as required by RCW 48.05.390, on a form issued by the commissioner." This special liability report covers the period ending December 31, of each year. It must be submitted not later than May 1, of the following year. Consequently Ohic was required to submit its special liability report for 2001 not later than May 1, 2002. Negative reports are also required.
3. During the month of December, 2001, the Senior Actuary for the Office of the Insurance Commissioner (OIC) sent a broadcast e-mail to all the authorized property and casualty insurers, giving instructions and a form for the filing of the special liability report. This was sent to Ohic.
4. Ohic failed to file its 2001 special liability report with the OIC by May 1, 2002. On May 23, 2002, the Senior Actuary at the OIC sent reminder letters to those approximately 140 property and casualty insurers like Ohic, which had failed to file their 2001 special liability reports timely. One of these letters was sent to Ohic at the address which it maintains with the OIC. Ohic did not file its 2001 special liability report by the date called for in the letter, June 14, 2002. The OIC did not receive the report until September 6, 2002.

CONCLUSIONS OF LAW:

1. The failure of Ohic Insurance Company to file its 2001 special liability report with the OIC not later than May 1, 2002, was a violation of WAC 284-07-010. It was also a violation of RCW 48.05.380, "Reports by property and casualty insurers- Rules" and of RCW 48.05.390, "Reports by various insurers- Contents."

2. RCW 48.05.140 (1), "Certificate of authority - Discretionary refusal, revocation, suspension" provides that the Insurance Commissioner is authorized to refuse, suspend, or revoke an insurer's certificate of authority if the insurer "...Fails to comply with any provision of this code other than those for violation of which refusal, suspension or revocation is mandatory."
3. RCW 48.05.185, "Fine in addition to or in lieu of suspension, revocation or refusal" provides that "After hearing or with the consent of the insurer and in addition to or in lieu of the suspension, revocation or refusal to renew any certificate of authority, the Commissioner may levy a fine upon the insurer in an amount not less than two hundred fifty dollars and not more than ten thousand dollars."

CONSENT TO ORDER:

1. Ohic Insurance Company stipulates to the foregoing Findings of Fact and Conclusions of Law and consents to this order, which imposes a fine of \$2,500 (Two Thousand Dollars and no/100) upon Ohic Insurance Company, in lieu of further proceedings against the certificate of authority held by that insurer in Washington State. This fine will be paid in full within thirty days of the entry of this order. Failure to pay the fine timely and in full will constitute grounds for the suspension or revocation of the insurer's certificate of authority in Washington State. It will also result in a civil action to recover the fine, brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.
2. Ohic Insurance Company also stipulates to obey all insurance laws and regulations of Washington State in the future, including but not limited to WAC 284-07-101(1) and RCW 48.05.380.

EXECUTED, this 26<sup>th</sup> day of September, 2002.

OHIC INSURANCE COMPANY

Signed Name: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Typed Corporate Title: \_\_\_\_\_

ORDER:

Pursuant to RCW 48.05.185, the Insurance Commissioner imposes a fine of \$2500 ( Two Thousand Five Hundred Dollars and no/100 ) upon Ohic Insurance Company, expressly in lieu of further proceedings against the certificate of authority held by Ohic in Washington state. The fine is to be paid in full not later than thirty days after the entry of this order. Failure to pay the fine timely and in full will constitute grounds for suspension or revocation of that certificate of authority. It will also result in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT TUMWATER, WASHINGTON, this 1<sup>st</sup> day of October, 2002.

MIKE KREIDLER  
Insurance Commissioner

By

WILLIAM K. KIRBY  
Legal Affairs Division